



iHub

CALIFORNIA
INNOVATION HUB



Request for Proposal

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FOR MORE INFORMATION PLEASE CONTACT:

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Table of Contents

Executive Summary	3
The Process	6
1. General	6
2. Applicant Eligibility	6
3. RFP Schedule.....	6
4. Applicants Conferences	7
5. Delivery of Proposals	7
6. Evaluation Process	7
7. Official Designation	8
8. Grounds for Rejection.....	8
9. Debriefings.....	8
10. Reporting Requirements	9
11. Questions.....	9
The Application.....	10
1. Purpose.....	10
2. Partnerships.....	11
3. Workforce Development	11
4. Boundaries.....	12
5. Coordinator.....	12
6. Central Office.....	13
7. Goals/Benchmarks.....	13
8. Budget.....	13
9. Regional Regulatory, Cash/In-Kind Contribution.....	13
The Format	14
The Checklist.....	16

Executive Summary

As the world's 9th largest economy, California leads the nation in sparking innovation - a key driver of economic growth. California produces more intellectual property than all other states in the nation combined. Globally, the State is known as the birthplace of innovative ideas and successful companies. It also leads the way in the commercialization of academic research to create jobs, build wealth, and foster equity and social justice.

Today, California is one of the national leaders in job creation with more than a half million new jobs created since the economic recovery began in February 2010. The Governor's Office of Business and Economic Development (GO-Biz) was created by Governor Edmund G. Brown Jr. to serve as California's single point of contact for economic development and to support state-wide job creation efforts. Over the years great strides in innovation were made as a result of the State's commitment to research and development. Although innovation was widely recognized as one of the prime drivers of economic growth, the State did not have a dedicated program to support the convergence of innovators, entrepreneurs, and workforce development until the California Innovation Hub (iHub) program was founded in the spring of 2010 under the State's Business, Transportation and Housing Agency.

As the State's lead economic development agency, GO-Biz is committed to preserving a climate that promotes innovation and entrepreneurship in the face of increasing global competition. This belief provides the foundation for the California iHub Program, which is designed to promote collaboration, create employment opportunities, and expedite the commercialization process when possible.

The iHubs were built around the triple helix model of economic development. As such, each iHub is operated by local consortiums comprised of government entities, community colleges and universities, industry. In addition, the iHubs incorporate workforce and economic development organizations, research institutes, venture capitalists and economic development organizations. Specifically, the iHubs target young, innovative companies that are in a high growth sector identified by the local consortium. iHubs are anchored by at least one major university or research center/institution, which provides access to new inventions and cutting edge thinking, as well as a pool of student interns and young business entrepreneurs. Incubators support small and micro businesses from the initial innovative idea through seed capital funding, research and development, market acceptance, validation and commercialization. Mentorship and access to investors is also a part of the program.

All iHubs have the common goal of enhancing California's national and global competitiveness by stimulating partnerships, promoting economic development and creating new jobs. Each iHub region has a unique mission and technological focus to promote innovation and linkages between iHub members. iHub technological specializations encompass areas such as Defense,

Transportation, Mobile Medical Technologies, Information, Sustainable Resources, Socially Relevant Technologies, Biomimicry, Genomics, Cybersecurity, Autonomous Robotics, Agri Tech, Energy Storage, Advanced Material Manufacturing and Green / Clean Tech.

In order to re-enforce the concept of regional innovation clusters, the iHubs are designed to strengthen the collaboration and support networks of the State's entrepreneurs. iHubs actively promote entrepreneurial opportunities throughout the state and raise the visibility of prospective sites for businesses from outside the state and the country. The iHub program not only creates a brand that advocates for supportive policy changes from legislators, but successfully increases the connectivity of assets, linking academic and research institutions to surrounding cities, financiers to startups, trained skilled workforces to industry, and businesses to the real estate community with opportunity sites.

The State recognizes that there is no one mechanism, policy or effort to support or propel innovation. Recognizing the complexity of innovation, the iHub program was designed with the objective of providing support, partnerships and resources to California's most prized asset – the State's innovators. By supporting the ideas which lead to commercialized products, the iHub Program promotes economic growth in the State.

The “i” in iHub represents the words innovation, inspiration, invention, ingenuity, and investment. Innovation is ingrained in the fabric of California's DNA. At GO-Biz, innovation is not a concept, rather a leading product native to California. The iHub program, as managed by GO-Biz, will continue to cross pollinate best practices and socialize resources across regions to maximize efficiencies and accelerate learning throughout California's emerging knowledge based economy. The program is a change-agent within the State, further positioning California as a national and world leader in creative thinking and innovation. By designating the first 12 innovation hubs, California began to construct what is now the largest in-state innovation-based economic development network to stimulate local, regional and statewide job creation.

With this request for proposal, GO-Biz is continuing to build this network by initiating a third round to designate three additional iHubs. GO-Biz is looking for applicants with the potential of creating a dynamic network of like-minded, forward-thinking and driven organizations, universities and individuals to gather under a common vision, seek common resources, and leverage assets.

To achieve an iHub designation, the applicant must complete a detailed application (not to exceed 20 pages) describing the fundamental elements of the proposed iHub such as its physical boundaries, goals/benchmarks, partnerships, coordination effort and localized incentives that may exist to increase the power and longevity of the partnership. Following submittal, the application will be reviewed by a Review Committee comprised of innovation-minded business professionals, educational professionals, and economic development professionals. The committee will make a recommendation to the Director of GO-Biz, who is then charged with making final designations. There is no limit to the number of applicants who can be awarded a designation in a single round.

A notice issued by GO-Biz will specify the conditions the applicant must satisfy in order to obtain final designation. If the specified conditions are not met within the period specified in the letter of

conditional designation, the applicant will lose its designation. Applicants with conditional designation are not considered an official iHub until all conditions have been met.

A formal designation will require that the iHub signs a memorandum of understanding (MOU) signifying its commitment to a five-year relationship with the State of California. During this five-year period, the iHub will be required to abide by all of the obligations as stipulated within this application and the signed MOU. This includes active participation in the statewide iHub network and submittal of an annual report to GO-Biz identifying progress made toward stated goals. This report will be used to evaluate the effectiveness of the iHubs as well as to identify areas for improvement. The exact reporting requirements will be finalized by an agreement between the iHub and GO-Biz as each iHub is unique in its goals and objectives.

The Process

1. General

The application and detailed description of the proposed iHub should not exceed a total of 20 pages. Ten or fewer relevant supplemental attachments (e.g. map of the iHub, MOUs) will also be accepted.

2. Applicant Eligibility

Eligible host organizations include:

- Fully accredited **institutions of higher education** such as community colleges, public and private universities and state colleges;
- Private **nonprofit corporations** engaged in economic development activities;
- Local **counties or municipalities** that have pre-existing community/economic development departments and/or programs; and
- Public **economic development institutions** such as workforce investment boards and economic development corporations.

Proposals will only be accepted from organizations that:

- Are qualified to conduct business in the State of California;
- Are in good standing with the Secretary of State;
- Have not been debarred or had contracts terminated by the federal government, State of California or local government;
- Have at least twelve (12) months of current direct and/or related business technical assistance experience; and
- **Are NOT for profit businesses.**

3. RFP Schedule

This schedule may be altered at any time at the discretion of GO-Biz. All times stated in this RFP are based on Pacific Standard Time.

January 4, 2013	RFP Released
February 1, 2013	Conference Call #1 with Potential Applicants 10:00 AM PST
February 7, 2013	Conference Call #2 with Potential Applicants 10:00 AM PST
February 15, 2013 (<i>recommended</i>)	Letter of Intent to Submit Due 5:00 PM PST Deadline
April 26, 2013	Proposal Due to GO-Biz 5:00 PM PST Deadline (<i>No Exceptions</i>)
May 21, 2013	Evaluation by Review Committee completed
May 24, 2013	Notification of iHub Round III Finalists
June 3-14, 2013	Site Visits and Interviews of iHub Round III

	Finalists Conducted
June 21, 2013	Notification of Award Given to Successful iHub Round III Applicants
June 28, 2013	Official Notification and Posting of Award on GO-Biz website

4. Applicants Conferences

Prospective iHub applicants as well as others interested in the RFP process and/or GO-Biz and the iHubs are invited to participate in one of the two hour-long conference calls being held in February 2013. On the conference call, a presentation will be given by representatives of GO-Biz that include key points of the RFP and core expectations from any successful applicant. A question and answer period will follow.

Two conference calls will be held on dedicated conference lines to accommodate the maximum number of applicants. The same information will be presented at each session. While participation is encouraged for all applicants, it is not a requirement.

5. Delivery of Proposals

All applications shall be submitted via email to Louis Stewart at gobiz.innovation@gov.ca.gov by 5:00 pm on or before the date indicated in the RFP schedule above. An email will be returned to you to verify the receipt of your application.

Please note if you submit a hard copy, the postmark must be on or before the dates noted above and send to the address below.

Governor's Office of Business and Economic Development
ATTN: Louis Stewart
RE: Round III Innovation Hub Proposal
1400 Tenth Street, Second Floor
Sacramento, California 95814

6. Evaluation Process

The Governor's Office of Business and Economic Development, along with an established Review Committee comprised of innovation-minded business professionals, educational professionals, and economic development professionals, will review and certify each qualifying iHub.

The iHub Review Committee will make a recommendation for designation to the Director of the Governor's Office of Business and Economic Development. The recommendation will be based on the consensus reached after each application is thoroughly reviewed, evaluated and discussed by the Review Committee. The Director will use this recommendation to make the final designations.

7. Official Designation

Prior to official designation as a California iHub, the applicant must self-certify that:

- It will comply with the State's non-discrimination policy.
- It and its principals are current in payment of all state and local taxes owed unless they have entered into a workout agreement which was deemed satisfactory by the respective taxing authority and are in full compliance with the terms thereof.

GO-Biz will grant final designation through a memorandum of understanding (MOU) after the applicant completes the tasks identified in its conditional designation notice. The MOU stands as the contract document between GO-Biz and the jurisdictions comprising the iHub and does not in any way infringe upon the day to day activities or the financial independence of the iHub. It will embody the goals identified and commitments made in the application, establish mutually agreed-upon performance benchmarks, and define self-evaluation processes. It will specify the effective date of designation, the expiration date of the iHub, and additional requirements. The applicant's compliance with the MOU shall be the basis for its performance in GO-Biz's audits, which will determine its continuation as an iHub.

8. Grounds for Rejection

GO-Biz reserves the right to waive any immaterial deviation in a proposal; however, the waiver of an immaterial deviation in a proposal shall in no way modify the document or excuse the applicant from full compliance with the proposal requirements after the applicant is awarded the contract.

A proposal shall be rejected if:

- The proposal package is received after the exact time and date set for receipt of proposals.
- The proposal does not meet the requirements and is not prepared as required in the application format section beginning on page 14.
- The proposal contains false or misleading statements or references which do not support an attribute or conditions contended by the applicant; and if, in the opinion of GO-Biz, such information was intended to mislead the Review Committee in its evaluation of the proposal.
- The proposal is confidential, conditional, and incomplete or if it contains any irregularities.

9. Debriefings

Written debriefings of the evaluation results will not be provided to unsuccessful proposals. Oral debriefings may be provided at GO-Biz' discretion.

10. Reporting Requirements

Coordinators for designated iHubs will be required to submit an annual report to GO-Biz.

Recognizing that goals may be unique, reporting requirements will be based upon an agreement reached between GO-Biz and each individual iHub.

The following list of reportable items should provide applicants with a general idea of the way in which they will be expected to report:

- Progress narrative toward reaching the project milestones/goals as stated in the application.
- Number of companies providing outreach services within the iHub region.
- Number of companies starting up in the iHub region related to sector focus.
- Number of incubators located in the iHub region.
- Revenues/sales from start-up companies in the iHub region.
- Number of corporate partnerships/research contracts developed (documented) by the iHub.
- Number of patents, applications, licenses, and disclosures within the iHub region and where applicable originating from the collaboration/partnership
- Research and development contracts originating from the collaboration/partnership in the iHub region.
- An inventory to GO-Biz of all emerging market, high growth potential companies (7 years or less) within the iHub region including their target industry.
- Research and development expenditures (federal, state, industry, and other sources).
- Amount of funding leveraged or invested in the iHub, including amount invested in both refurbished and constructed facilities within the iHub, as well as a report on pledged match and other leveraged investments in the Hubs.

11. Questions

Any and all questions should be directed to:

Louis Stewart

Deputy Director, Innovation and Entrepreneurship

Governor's Office of Business and Economic Development

916.322.0595 | email: gobiz.innovation@gov.ca.gov | Twitter: @GoBizLouis

The Application

As a strong supporter of innovation, the Governor’s Office of Business and Economic Development is releasing the following request for proposal for Round III of the Innovation Hub Program. The competitive nature of the Program limits the direct assistance the State can provide during the application process. The following set of guidelines is intended to provide applicants with direction when applying for designation. Applicants are encouraged to think ‘outside of the box’ when putting together their application. Successful applicants will ensure that each of the specified elements is addressed in their final application.

1. Purpose

Successful applicants must define the purpose or purposes to be served by the formation of the iHub by identifying which entrepreneurial/business cluster(s) will be targeted for growth or identifying the broader economic development goals of the iHub. If neither of these applies, please describe the purpose of the proposed iHub.

The explanation of the iHub’s purpose should be supported by any similar previous efforts, such as cluster analysis, regional business analysis, statewide economic development reports, or any current information which exists to support it.

See the chart below for some examples of possible clusters and potential broader economic development objectives which may apply.

<u>Possible Clusters</u>	<u>Potential Broader Economic Development Objectives</u>
Advanced manufacturing Aerospace Health Care Entrepreneurship Renewable energy Information technology Advanced materials Creative arts Finance/service sectors Agricultural Manufacturing	An iHub can be directed toward business retention by targeting and aiding existing companies in their expansion through: <ul style="list-style-type: none">• Hiring technology-based graduates• Providing supportive financial structures (e.g., venture capital, angel investment, commercial lending)• Securing partnerships between the institution and private sector companies (commercialization, patents/technology licensing, collaborative or joint, R&D)• The development of facilities/incubators and amenities to attract and retain technology-based graduates and companies• Providing workforce development services and facilities.

2. Partnerships

Successful applicants will demonstrate that a broad partnership in innovation has been formed. The explanation and linkages of this partnership should be fully articulated in a formal statement of cooperation. The statement of cooperation should specifically include the roles, responsibilities, value and contributions (financial) of each member of the proposed iHub. This formal agreement may be submitted in the form of an operational plan, memorandum of understanding (MOU), partnership agreement, or similar document. Each partner must also provide an authorized signature on the statement of cooperation to certify his/her commitment to the iHub.

Partnerships are encouraged to have representatives from each of the following:

- Local Government Organizations
- Economic Development Organizations
- Agencies providing neighborhood/community services
- Professional Organizations
- Public/Private Universities, California State Universities, California Community Colleges and activity centers in specific areas such as the Rapid Manufacturing Center RapidTech at Saddleback Community College.
- Small business development centers or entrepreneurship centers

Additionally, each certified iHub partnership must be anchored by at least one major university or research center/institute, one economic development organization and consist of at least four of the following:

- Business support organizations, including workforce development/training organizations, incubator/business accelerators, Chambers of Commerce, and networking organizations that support innovation.
- Educational consortium, including technology transfer representatives
- Venture capital networks including angel investors
- Business/innovation/science/research-foundations
- Laboratory research institutions, federal laboratories, and/or research and development facilities
- Municipal economic development divisions/departments
- Federal government partner

3. Workforce Development

Successful applicants will identify the industry sectors of focus within the iHub physical boundaries. For each of those sectors, the applicant will describe how they will collaborate with the industry to identify occupations that are vital to the competitiveness and will support innovation of the industries of focus, which will also provide high-paying jobs for workers. Applicants will be expected to develop industry driven occupational standards and credentialing that will be implemented by the workforce development and education members of the

collaborative. This element of the iHub should provide workers with labor market mobility and result in a highly skilled workforce, which is necessary to foster innovation and job creation. Where possible, applicants are encouraged to consider the use of existing workforce development systems and models with proven success; such as, apprenticeship training programs in California and within the iHub geographic boundaries.

4. Boundaries

Applicants must provide a graphical representation accompanied by a brief description of the iHub's physical boundary.

- An iHub's physical boundary typically includes the immediate geographic areas around or connected to an educational institution, university, laboratory, or research center.
- The boundary can include "knowledge nodes" that do not have direct geographical access, but link educational institutions via technology, transportation, or resource allocation. A clear identification and explanation of these links must be included in the application narrative, including a description of the proposed links (e.g., business parks, campus, incubators, and research and development facilities).
- The boundary must be identified on a map that is submitted with the application. The map should include a clear and reasonable explanation for how/why the boundaries were defined.

5. Coordinator

Each successful iHub application must clearly designate at least one individual or entity responsible for coordinating the collection of iHub data and execution of activities.

In order to serve as an iHub Coordinator the individual or entity must be:

- Established as a non-profit organization (recommended)
- Agreed to by the partnership

As coordinator, the individual or entity:

- Is responsible for implementing the day to day objectives of the iHub. This person or organization serves as the primary agent responsible for coordinating services and resources as well as maintaining the partnership.
- Must work with a governing board of iHub members to coordinate iHub activities.
- Serves as the primary liaison to the State of California (GO-Biz).
- Must participate in the monthly group "touch base" call and all activities related to participation in the larger California iHub network.

If there are other ideas for how to fulfill the coordinator function, please provide a detailed explanation for why the format being suggested works best for the proposed iHub.

6. Central Office

All applicants will have clearly identified the location that will be used as a central office to support iHub efforts within their application.

7. Goals/Benchmarks

Successful applicants must articulate and identify the goals to be achieved, steps to reach goals, deadline for goals, and measures or benchmarks whereby those goals can be determined. These goals must be agreed upon by all members of the partnership. Progress toward the achievement of these goals will be reported to GO-Biz on an annual basis.

8. Budget

The intent of the budget is to demonstrate the iHub's long-term plan for economic sustainability. Define a program budget which clearly differentiates between secured funds (in house, contracted), pending funds (application submitted) and potential future funding sources. Parts of the proposed budget may come from the partners' existing work plans and efforts.

Non-profit groups in partnership with a university or national laboratory should be willing to raise additional money to run their program, aggressively implement technology transfer programs and provide grants to companies within the iHubs.

9. Regional Regulatory, Cash/In-Kind Contribution

Applicants should provide a list and brief description of local and regional incentives and support programs that will be used to support businesses within the iHub (e.g. local fast track permitting, industrial development bonds). Incentives that have a financial impact on the iHub must be clearly identified within the budget.

The Format

These instructions detail the mandatory proposal format and content to be used in each proposal. PROPOSALS MUST BE PREPARED AND SUBMITTED IN THE FOLLOWING FORMAT TO ENSURE ACCURATE EVALUATION.

A. Required Content and Format

1. ATTACHMENT 1, COVER SHEET.

2. ATTACHMENT 2, HOST ORGANIZATION CONTACT INFORMATION.

3. Table of Contents: Information is organized as outlined in this Section with page references.

4. Statement of Cooperation

5. Narrative: The narrative portion of the proposal will address all of the following items and not be longer than 20 pages in length excluding all attachments. **Applicants are encouraged to focus on providing complete content in a streamlined manner. There are no extra points provided for using all 20 pages of allowable narrative space.**

A. Introduction	
B. Purpose <ul style="list-style-type: none">i. Policy Frameworkii. Target Clustersiii. Approach (including any preliminary initiatives)	
C. iHub Governance <ul style="list-style-type: none">i. iHub Coordinatorii. iHub Boardiii. Stakeholder Committees	
D. Partnerships	
E. Workforce	
F. iHub Boundaries <ul style="list-style-type: none">i. Background on proposed region	
G. Central Office	
H. Goals <ul style="list-style-type: none">i. Preliminary Implementation Plan<ul style="list-style-type: none">▪ iHub Website	

<ul style="list-style-type: none"> ▪ 1st Year Milestones ▪ 2nd Year Milestones ii. Early Collaboration Targets iii. Performance Measures 	
I. Budget	
J. Regional Regulatory, Cash/In-Kind Contribution	
K. Conclusion	

The Checklist

The application will be evaluated based on each of the following elements:

Applicants will provide a Statement of Purpose	
Applicants will provide a clearly articulated focus area of the iHub which must include industry sectors or other targeted areas for development and growth.	
Applicants will provide a signed Statement of Cooperation which must include: <ul style="list-style-type: none"> a) Description of the individual roles and relationships of each entity involved in the partnership. b) A clearly stated designee to coordinate iHub data and activities. c) A clearly identified central location. 	
Applicants will provide a clear articulation of organizational experience including capability statements, related programs as well as any additional critical factors for achieving the proposed objectives along with the following: <ul style="list-style-type: none"> a) Demonstrated experience with technology transfer/licensing. b) Demonstrated experience with intellectual property management. 	
Applicants will provide a clearly articulated iHub management structure and plan which must include a description of the capabilities, qualifications and experience of the proposed management team, team leaders, and/or key personnel who are critical to achieving the proposed objectives.	
Applicants will provide a clearly articulate plan for iHub sustainability which must include: <ul style="list-style-type: none"> a) A list and brief description of any local and/or regional incentives and support programs. b) A complete budget including a description of secured funds (and proof), pending funds and potential future funding sources. 	
Applicants will provide a clearly articulated list of goals to be achieved with the certification of the iHub which must include: <ul style="list-style-type: none"> a) Defined performance standards agreed upon by the partners involved in development of the iHub. b) Evaluation procedures that will be used to measure the level of achievement for each stated goal. c) Explicitly stated benchmarks or milestones with projected dates of completion. d) Expectations for job development/business creation. 	
Applicants will provide a clearly articulated commercial market focus and plan.	
Applicants will provide a list of the proposed iHub regional assets as well as resources available to support and guide young companies.	

Applicants must provide Demonstrated experience with innovation programs.	
Applicants will provide a clear explanation and map conveying the iHub's physical boundary.	
Applicants will provide Evidence of community engagement and support.	
Applicants will describe the process for collaborating with educational institutions within their physical boundaries to develop training programs that lead to industry recognized credentialing.	

RFP END